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THE PRODUCTIVITY OF THE INDIVIDUAL.

BY W. H. MALLOCK, AUTHOR OF "THE NEW REPUBLIC," "IS LIFE WORTH LIVING?" "A ROMANCE OF THE NINETEENTH CENTURY," ETC.

SOME months ago* I published in this REVIEW a paper under the title of "Who Are the Greatest Wealth-Producers?" the aim of which was to show that the larger part of the goods or commodities produced in the modern world are produced by the exercise not of the universal faculty of labor, but of those mental and moral faculties by which labor is directed and stimulated, and which are exercised and possessed by comparatively few persons; and that thus, whereas according to the prevailing view the few live on what is produced by the many, the truth is that the many—in other words the wage-earning laborers—derive a large part of their wages from what is produced by the few. In this reasoning, however, one point was involved which, though many persons will assent to it, and indeed accept it as something almost self-evident, is yet open to legitimate dispute on the part of hostile critics. It is a point of great importance; and I shall devote the present paper to discussing it more fully.

Let me briefly restate the argument of which it formed a part. The great feature in modern production is the increasing amount of commodities that are produced by an equal number of people. The annual product, for instance, of England and the United States has, in proportion to the respective populations of these countries, almost trebled itself during the past hundred years. Having called attention to this fact, I pointed out that the average workman to-day is no stronger than he was formerly, nor the skilled workman more dexterous; and that therefore this in-

* June, 1893.

crease in productivity was obviously not due to any development of the universal faculty of labor, but to the direction and control of labor by men of inventive and managing ability. Let us suppose, for instance, that there were a hundred independent potters, each of them producing five pots daily, the men thus producing five hundred pots in the aggregate ; and then let us suppose that one of their number invents some new process, and having persuaded the others to work it under his direction, secures a daily output of fifteen hundred pots instead of five hundred. I argued that the extra thousand pots were produced by the ability of this one man just as truly as five pots were produced originally by the labor of each of the others. In other words, where a number of men are associated in the production of any commodity any one man produces just so much of that commodity as is added to the total product when he devotes to the producing process any faculty possessed by him, or so much as the total product would be diminished by if he ceased to exercise such a faculty.

Now that this is true in a loose and figurative way most people will admit. Even the extremest socialist would hardly be prepared to deny that the ability of James Watt had far more to do with the present wealth of the world than the manual labor of the average skilled mechanic. But still, if the assertion is baldly and bluntly made that a single man, without manual labor—sitting perhaps at his ease in an armchair—may produce twice as many commodities as a hundred manual laborers do with their arms and hands, many people will declare this is true in a figurative way only, and that if, for instance, the man in the armchair says that he has produced a thousand pots in a day, he is not their producer in the same literal sense in which any one of the manual laborers is the producer of five pots. My aim in the present paper is to show that he is so—to show that the ability by which the efficiency of labor is multiplied is, under the existing conditions of industry, a producing agent in just as practical a sense as labor is ; and that the amount of commodities produced by the man exercising it is to be measured precisely in the same way as the amount of commodities which we estimate to have been produced by any given laborer.

In the first place, then, let us consider what we mean when we speak of labor as a productive agent, and say of any given laborer

that he has produced any given thing ; for this question is by no means so simple as it seems. It is simple, indeed, in a case of the kind just mentioned—that of a potter working independently of his companions and producing every day five pots. Here we use the word *produces* in the most literal sense possible. We mean that we have five particular earthen vessels, the existence of which, apart from the impersonal contributions of Nature, is due entirely to the exertions of one particular man, and which bear in the shape and substance the actual imprint of his hands.

It must at once be admitted that if we speak of a thousand pots being produced by ability, or by the direction of labor, instead of labor itself, we are using the word *produced* in a different sense from that in which we use it when we speak of five pots being produced—as in the above case—by the labor of one man. We use it, however, in a sense that is none the less practically true.

To understand this, let us again turn to labor, and let us recollect that the case which we have just imagined is, under the present conditions of industry, an entirely imaginary, though not in itself an impossible, one. For, as a matter of fact, in even the least civilized nations, no one potter does his work independently, or performs with his own hands all the operations involved in the production of even a single pot. A number of men would be always working in concert, some digging the clay, some preparing it, some moulding the pots, some setting in motion the potter's wheels. In order, therefore, to make an example of pot-making really typical of any existing system of production, we must imagine our hundred potters all working in concert and producing five hundred pots a day between them. Now, in this case it is plain that no one of these hundred men can point to any particular five pots and say he has produced them, in the same sense in which the isolated potter could have said so whose case we at first imagined. Indeed, in that literal sense of the word, no one of them could say that he had produced any pots at all.

Are we then to say of these hundred men, who, by their united action produce five hundred pots daily, that each man produces nothing ; or that it is impossible to tell what he produces ? The men, we must assume, gain their living by the sale of the pots ; and each man daily has a share of pots assigned to him. Let us

assume further that the labor of all is equal in amount and quality. It is obvious, in this case, that, if the product is fairly divided, the daily share of each man will be five pots. Now, will any one say of any one of the potters that he does not make his own living by his own labor?—or in other words, that he does not produce five pots daily? Let us imagine some outsider asking him what was his title to them. “I produced them,” would be of course his answer, nor would any sane person for a moment deny the truth of it. Or, let us imagine one of his fellow potters disputing his title not to all the five pots, but to two of them, and maintaining that properly he ought to have only three. Our friend’s answer would be equally obvious. “We all of us,” he would say, “have contributed the same amount of labor, therefore we all of us have produced the same number of pots, and I have produced not three, but five.” On no other grounds than these could the statement, which is formally adopted by the “labor party” as the basis of its claims—the statement that “all wealth is produced by labor; therefore, to the laborer all wealth is due”—be made applicable in any way to any laborer individually, so as to give him a title to any definite share. For in the modern world, with a few unimportant exceptions, no one laborer produces the whole of any commodity; and it would be impossible to assign to him any finished goods, useful to himself, or possessing exchange-value, which he could be said to have produced in a strictly literal sense. But that he has produced some such goods, in a sense which is practically and substantially true, is obvious. Nobody disputes this, and the extreme advocates of the claims of labor differ from their opponents only in contending that the individual laborer produces more goods than, under existing conditions, he gets.

And this extended use of the term *production* does not end here. The individual laborer is said to produce not only a certain number of these actual commodities—such as pots—in the manufacture of which he is concerned directly, but all those necessaries of life, such as food and clothing, for which the pots are ultimately exchanged, and which alone are of service to himself. Thus the word to *produce*, as applied to labor, has, under modern conditions of industry, shifted its absolute meaning, without losing anything of its relative and practical truth. A laborer who works to-day as one out of a thousand hands in a fac-

tory, and who cannot identify a single article as the product of his own fingers, has as good a right to a share in the total number produced, on the ground that he himself produced so many of them, as he could have had, if he had been a solitary savage, and had fashioned these identieal articles, with no other human being to assist him.

Now, as I have said, this will be denied by nobody, and least of all by the advocates of the claims of labor. It will, however, be seen that the individual laborer can be called a producer, and can be said to have produced any definite amount, only on the grounds which I have already stated, namely, *that when a number of men are associated in the production of any commodity, each man produces just as much of that commodity as is added to the total product when he devotes to the producing process any faculty possessed by him; or so much as the total produced would be diminished by, if he ceased to exercise such a faculty.* Ability, then, or the faculty by which the productivity of labor is increased, produces the increased product in precisely the same sense as that in which each laborer produced a fraction of the total that was produced originally.

The following objection may, however, be raised. It may be said that ability, or the faculty by which labor is directed, can in itself produce nothing, until labor submits itself to its direction ; and that thus if a hundred potters, directed by one able man, produce fifteen hundred pots, whereas without his direction they could produce only five hundred, the potters, nevertheless, must be held to produce the whole, because, were their labor withdrawn, no pots could be produced at all. Now as a rhetorical retort this objection is excellent ; but that it has no real force may, at once, be seen thus. Let us apply it to air instead of to labor, and consider the case of agriculture. Were the above reasoning sound, we could prove that the air produced all the harvest, because without air the soil could produce nothing. But this is absurd ; and, therefore, the reasoning in question must be false. But why is it more false than the reasoning, which may seem precisely similar, by which I just now said we are to discriminate the products of ability, and can prove them to be so far larger than the products of labor ?

The answer to this question is instructive, and involves certain points of the highest importance not only to economics but to

social and political reasoning generally. I have shown how when we use the word *production*, whether as applied to labor or to ability, though we use it in a true sense, we do not, under the existing conditions of industry, use it in a literal sense. Now, when once we cease to use a word in its literal sense, the truth and accuracy of any sense in which we use it will depend altogether on the connection in which it is used. Thus, if a man were to give evidence in a law court that when a certain event happened the sun was rising, he would be saying something which we may take to be absolutely true ; but if he made the same statement about the sun in an astronomical treatise, we should set him down as a madman. So when we speak of production, even as applied to a laborer who works entirely by himself, and makes commodities, without any other man to help him, though speaking as economists, we can say with literal truth that he produces them; yet the statement would be nonsense, if we made it speaking as physicists. If we spoke as physicists, though we should have to take some account of the man's labor, the principal producing agents we should be concerned with would be the forces of nature. The production of bread, for instance, means a very different thing to a chemist from what it does to an economist. The fact is that in the analysis of any process we are always obliged to isolate some part of it, and to deal with this alone ; the part to which our attention is confined being determined by the object we have in view. Thus when a physiologist is studying the voluntary movements of a man's body he does not trouble himself with the moral aspect of motive, but deals only with the brain and the muscles : and, conversely, the moralist deals only with the moral aspects of motive, and ignores altogether the complex physical processes without which neither action nor motive would be possible.

In precisely the same way, when political economists speak about production, they ignore and are obliged to ignore, all those productive processes, the operation of which no political action can alter, or by a knowledge of which it will not be altered. Thus, though in producing a harvest, the air and the rain are even more essential than human labor, every economist, speaking of an isolated peasant cultivator, would say that this cultivator was the sole producer of his own corn, and would feel that to drag in any mention of the air and rain was entirely beside the

point. It would be beside the point because the presence and operation of these elements are entirely uninfluenced by the political action of man ; nor is political action influenced by a knowledge of the necessity of the operation of the elements. Now that labor is a producing agent and that without labor man will have neither wealth nor sustenance, is the fundamental truth of all practical economics, and is also at the bottom of all social action. This truth has, however, an aspect which entirely escapes the notice of those who claim that labor, at the present day, is the producer of all wealth ; for to say that no wealth or sustenance can be produced without labor means that, taking the human race as a whole, it cannot live without labor ; and that whenever we suppose a nation of men existing, we are necessarily supposing a nation of men laboring. In other words, if we suppose men ceasing to labor, except occasionally for very brief intervals, we are practically supposing men ceasing to exist. Now, to a non-existent nation no economic reasoning can apply ; therefore the moment we begin to reason about economic matters at all, just as we assume the existence of a nation of men, so we assume a nation the larger part of which labors.

And now let us return to the argument that when labor directed by ability produces three times as much as it does when not so directed, it still must be held to produce the whole, because, supposing it ceased to exert itself, nothing would be produced at all. The answer to this will be by this time obvious to the reader. The argument is false, because it is based on a purely fanciful supposition ; for labor, as a whole, can never cease to exert itself, unless the laborers cease to live. If they live, they must labor just the same whether they have an employer to direct them or no ; and their labor, whatever happens, must be taken as a constant quantity. The able man, on the contrary, were he to cease to exercise his ability, would yet theoretically be able, by merely exercising his labor, to live as well as any average laborer, and most probably better. Accordingly, it is perfectly legitimate to estimate the products of ability by considering what its operation has added to the products of labor, and what would be the shrinkage in production, supposing that its operation ceased ; for its influence on labor has been a slow historical growth, and the cessation of its action is a theoretically possible thing : but it is practically meaningless to make a similar supposition as to labor,

for the cessation of labor is a thing that, even theoretically, is impossible.

It may, however, be urged that, though the laborers cannot cease to labor, it is quite conceivable that they might refuse to labor under the direction of the able man. But this is not so. For as matters now stand in all highly civilized countries, production has become a process of such unimaginable complexity that even the simplest necessaries of life could hardly find their way to the humblest household unless all the countless varieties of labor were every hour directed and correlated by the action of ability. It is in fact just as idle to suppose that all the factory hands of the modern world, even if they could seize on all the manufacturing plant, would have it in their power to become independent workers, and that each could make a living by laboring under no direction but his own, as it would be to suppose that they could live without any labor at all. Indeed, such is the constitution of society now throughout the civilized world that, in spite of all that reformers and socialists could do to alter it, labor, unless directed by ability, would be as non-productive as ability which had no labor to direct. Perhaps, then, it will be said that, if such be the case, ability must really be in the same position as labor, so far as the necessity for its constant action is concerned; since if the able men refused to exercise their ability, they would be as helpless as the laborers would if they refused to submit to it; and hence it may be contended that, contrary to what was just now said, the cessation of the action of ability is no more theoretically possible than the cessation of the action of labor. Now were this contention admitted, the result would be as follows: That when any wealth at all is produced in the modern world, two faculties, namely, labor and ability, are equally necessary to its production, and that therefore each must be regarded as having produced half. As, however, ability is a faculty exercised and possessed by a few men only, while labor is a faculty common to all, it would follow from this that, though labor produced as much wealth as ability, each able man produced indefinitely more wealth than each laborer; so that the extreme advocates of the claims of labor would gain very little by adopting this train of reasoning. It is, however, inaccurate altogether; and in spite of its being true that ability, under existing conditions, is practically as necessary to almost all production as labor

is, the necessity which compels the former faculty to exercise itself differs very widely from the necessity which compels the latter.

Let me turn again to the fact on which I have already dwelt, that for every million dollars produced by a million men a hundred years ago nearly three million dollars are produced by a million men to-day. We will assume that the million dollars a hundred years ago were produced by labor alone; but to-day, owing to the changed conditions of production, though labor and ability together produce three thousand dollars, labor alone would be unable to produce anything. It is quite true, therefore, that if the million men are to live, the able men among them will be obliged to exercise their ability for their own sakes just as much as the laborers will be obliged to labor for theirs. But between ability and labor there is this great difference, that if we measure the two by the same standard, namely that of time, the productive power of a given quantity of labor hardly varies at all, but the productive power of the same quantity of ability is capable of indefinite variation. That is to say, while under the conditions above supposed, the men of ability will be obliged to coöperate with the laborers, and exert themselves for the same number of hours daily, they will not be obliged in order to gain their living to exert ability of the same productive quality. It is not only a possible contingency, but under certain circumstances it would be inevitable, that the able men, though devoting the same number of hours to business, should make their ability less and less productive, thus gradually reducing the total amount produced till it sank from the three million dollars to two million, then to a million and a half, and finally back again to the original one million, labor all the while undergoing no change whatever. Now it is evident that the men can live on the million dollars, for the sum represents what men actually did live and thrive on till a very recent period. We will, however, suppose that they could not live on less. When, then, the efficacy of ability has sunk to the point just indicated, we may say that necessity compels the able men not to let it sink further; but there is nothing in the nature of things to prevent it sinking thus far, and the recovery of the efficacy which it lost would be altogether contingent on circumstances.

Cases such as these are not only theoretically possible, but we

may see daily examples of them. We see some one man by his ability directing labor to greater and greater advantage, and developing some business which is perhaps developed further by his son. In the third generation, for some reason or other, there is a decline in the efficacy of the managing ability ; the profits gradually fall ; they at last cease ; the business becomes extinct. This is merely another way of saying that as the ability possessed by the firm became less and less efficacious, less and less is produced by it in proportion to the number of laborers it employs. Thus though a complete cessation of the action of ability may be practically as impossible as a complete cessation of labor, yet a decrease in its efficacy which would reduce the gross products of the community to what they were before its action had revolutionized the conditions of labor is an event which is constantly occurring in individual cases, and which, under certain conditions, might easily become general. And a decrease in the efficacy of ability such as this, is, for all practical purposes, equal to its complete cessation.

When, therefore, we say that it is meaningless to maintain that labor produces everything, because without its aid ability could produce nothing, and maintain by seemingly similar argument that ability produces all that part of the product which, without its aid, could not have been produced by labor, we are not, indeed, saying what is completely true ; for if we concern ourselves with the complete truth of the matter, we should have to say that no human exertion, of whatever kind, could, of itself, produce anything ; but we are saying what is true for all practical purposes. We estimate the product of ability in a way in which it would be practically meaningless to estimate the product of labor, because if a given number of men are alive to all their labor must practically be a constant quantity, the absence of which it is as idle to speculate about as it would be to speculate about the absence of air ; but the ability that is applied to the direction of their labor is a variable quantity, and when we estimate that it produces by its action just so much of the product as would not be produced were it absent, we are referring to a condition of things which actually prevailed once, and to which any day there may be a danger of again approximating.

But, though the product of labor as a whole cannot be estimated in the same way as that in which we estimate the product

of ability, the way in which we estimate the product of ability is absolutely the same as that of each individual laborer. For, although, if we are to deal with the problem of production at all, we are unable to suppose a cessation of labor as a whole, since that would be equivalent to a cessation of all production, we are supposing not only a possibility, but a fact of daily occurrence, when we suppose the number of individual laborers to change. If, in dealing with the hundred potters, whom we just now imagined, we suppose this community to lose, by death or otherwise, one of its members, we are not supposing a cessation of production, but only a certain diminution of the gross product, and a diminution such as occurs constantly in actual life. When, therefore, we say that each individual laborer produces so much of the joint product as would not be produced if he ceased to labor, we are making our estimate by references not to impossible and fanciful suppositions, but to an event the like of which is occurring every day, and which itself might occur to-morrow. And it is, as I have said before, only by reasoning in this way that the individual laborer, under our system of complicated production, can claim to have produced anything that is either definite in quantity or useful and salable in kind. Now, that he does produce something useful and salable and that he produces a definite quantity of it is the fundamental proposition of the modern champion of labor, and nobody can deny that the proposition is, in a practical sense, though not in a literal sense, absolutely true. The individual laborer does produce a certain definite quantity of goods. What I have endeavored to explain here is that in precisely the same sense—a sense just as practical—ability likewise *produces* another definite quantity; and, no matter how much larger may be the quantity produced by the able man than that produced by the laborer, the different quantities are estimated on precisely the same principles, and that the one man is a producer, in the most hard and practical sense, just as much as the other is, the only difference being that he is a *producer* on a much greater scale.

W. H. MALLOCK.